



United States
Department of
Agriculture

Farm Service Agency

March 2005

Fact Sheet

Crop Disaster Program (CDP)

Montana State Producer Handbook



Background

The Crop Disaster Program (CDP) is authorized under the Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act of 2005 to provide financial assistance to producers who suffered crop losses due to weather-related disaster or other emergency conditions.

Signup Period

Signup for the Crop Disaster Program began March 14, 2005. Currently, no ending date has been set.

Producer Eligibility

The damages incurred must be in excess of 35 percent for either the 2003 or 2004 crop for loss of production or 20 percent for quality losses.

CDP Payments

Producers will have the choice of receiving payments for the 2003 or 2004 crops, **but not both**. Payments will be issued to producers for losses in excess of 35 percent at:

- 65 percent of the established price for insured crops;
- 65 percent of the established price for noninsurable crops; and
- 60 percent of the established price for uninsured crops.

CDP Payment Limitation

CDP payments are limited to \$80,000 per producer. A producer's disaster payments, plus crop insurance and NAP payments cannot exceed 95 percent of what the producer would have received in the absence of a crop loss. The Act requires that the Adjusted Gross Income (AGI) provision will apply. Under the AGI provision, the individual or entity shall not be eligible to receive certain payments and benefits if the average AGI of the individual or entity exceeds \$2.5 million. However, an individual or entity whose average AGI exceeds \$2.5 million may be considered in compliance with this limitation if at least 75 percent of the average AGI was derived from farming, ranching, or forestry operations.

Certain Provisions

If a producer wishes to receive CDP benefits on an insurable crop that is not insured, or on a noninsurable crop that is not covered by the Non-insured Crop Disaster Program (NAP), producers are required to purchase crop insurance or NAP, as applicable, on that crop for the 2006 & 2007 crop years.

How to Participate

All required forms and production and quality loss documentation must be submitted before the signup deadline.

The following is required for submitting a CDP application:

1. Complete form CCC-750 (Crop Disaster Program Application)
2. FSA-578 (Report of Acreage), if applicable
3. CCC-751 (Linkage Agreement)
4. CCC-750M (Multiple Crop Selection), if applicable
5. AD-1026 (Sod/Swamp), if not already on file
6. CCC-502 (Payment Limitation), if not already on file
7. CCC-526 (AGI certification), if not already on file
8. Production and Quality loss documentation if applicable

Production evidence must be submitted for quantity loss.

For quality loss applications – in addition to verifiable production evidence, an acceptable quality test must be provided.

Linkage Requirement

Any producer who elected not to obtain federal crop insurance on an insurable crop for which the producer receives crop loss assistance or for noninsurable crops, elected not to participate in FSA's NAP for the year in which

benefits will be received, must purchase crop insurance at a level greater than the catastrophic for insurable crops or NAP coverage for uninsurable crops by the final deadline and complete all program requirements including yearly acreage reports for the 2006 & 2007 crop years in the administrative county in which the crop was produced or prevented from being produced.

As a condition of receiving benefits under CDP, any producer who fails to purchase crop insurance and/or NAP coverage, shall be required to refund the full amount of the CDP payment for the crop, plus interest. A list of crop insurance agents is available at your local FSA county office or by logging on to the Risk Management Agency website at: www.rma.usda.gov.

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at: <http://www.fsa.usda.gov/mt>.

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